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COUNTRIES AND PEOPLES

UNITED STATES VIRGIN ISLANDS

Working paper prepared by the Secretariat

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UNITED STATES VIRGIN ISLANDS 1/

I. GENERAL

1. The United States Virgin Islands is situated 75 kilometres east of Puerto Rico and comprises about 50 islands and islets, the largest of which are St. Croix (218 square kilometres), St. Thomas (73 square kilometres) and St. John (52 square kilometres). The capital of the Territory, Charlotte Amalie, is located on St. Thomas.

2. The final figure of the 1990 census, released by the Office of the Governor in July 1991, gave the population of the Territory as 101,809 (St. Croix, 50,139; St. Thomas, 48,166; and St. John, 3,504). Females outnumbered males, 52,599 to 49,210. The 1990 census figure, while higher than that of 1980 (96,569), was significantly lower than the mid-census estimate of 110,000 in 1985. A spokesman for the United States Bureau of the Census, located in the Territory, attributed the shortfall to a lower birth rate and net migration.

3. The climate of the Territory is subtropical and is moderated by the trade winds. The Territory has an average annual rainfall of 114 centimetres (45 inches) and lies within the hurricane zone. In September 1989, Hurricane Hugo struck the Territory and caused extensive damage, estimated at over US$ 1 billion, 2/ to the Territory's infrastructure and its residential, commercial and tourist facilities (for details see A/AC.109/1029). In January 1992, the Governor said that the lingering effects of the hurricane were among several major factors that had undermined the hopes of the territorial Government for continued rapid and unprecedented economic growth and expansion.

II. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

A. Constitution

4. The Revised Organic Act of the Virgin Islands, 1954, as amended, 1968-1972, remains the Constitution of the Territory. The Government consists of three distinct branches: executive, legislative and judicial. The Governor, who is the chief executive, and the Lieutenant-Governor are elected jointly for a four-year term.

5. The Governor is responsible for administering all activities of the executive branch, including the appointment and removal of all staff, and executing federal and local laws, including the application in the United States Virgin Islands of those provisions of the Constitution of the United States of America that are not inconsistent with the islands' status as an incorporated Territory of the United States. The Governor may recommend bills to the Legislature and veto any legislation, as provided in the Revised Organic Act.

6. The United States Secretary of the Interior has the power to appoint a federal comptroller for the Territory (who may not be a member of any executive department of the territorial Government) whose functions include improving the efficiency and economy of government programmes and auditing and supervising the

use of federal funds. Since early 1983, the role of federal comptroller has been assumed by the Inspector-General, United States Department of the Interior.

7. In order to be eligible to register as a voter, a person must be a citizen of the United States, must be 18 years of age or older and must have been a resident of the Territory for 90 days. The Legislature is empowered to prescribe other qualifications provided that no property, language or income qualifications may be imposed and that no discrimination be made on the grounds of race, sex or religious belief. The Absentee Voter's Bill, which was signed into law on 28 July 1972, provides for absentee voting procedures.

8. Since 1973, the Territory has sent a non-voting delegate to the United States House of Representatives. The delegate, whose term is for two years, is elected by majority vote (see paras. 17 and 28).

B. Judiciary

9. It will be recalled that political, judicial and community leaders have expressed their concerns over the crisis in the judicial system in the Territory and the need to fill two federal judgeships. An Advisory Group, established in the Territory under the Civil Justice Reform Act of 1990, emphasized in its December 1991 report that the principal cause of the delay in the progress of civil cases was the lack of judicial resources. The report noted that out of 94 courts within the United States system, the Territory was ranked third highest in the number of criminal filings per judgement. The most predominant cases involved multiple defendants, complex issues and lengthy trials (see A/AC.109/1109, paras. 12-13).

10. On 14 August 1992, Territorial Court Judge Thomas K. Moore, a Virgin Islander, was appointed to one of the two vacant federal judgeships in the Territory. He was subsequently appointed Chief District Court Judge. Press reports indicate that President George Bush had nominated another Virgin Islander, Territorial Court Judge Raymond Finch, to the second vacant District Court judgeship, but that the United States Senate Judiciary Committee had failed to act on the nomination. It was expected that he would be renominated by President William Clinton, a fellow Democrat. 3/

11. In a related development, Mr. Julio Brady, a former Lieutenant Governor of the Territory, was sworn in as an Associate Judge of the Virgin Islands Territorial Court in September 1992. 4/

C. Constitutional development

12. No additional information has been reported concerning the appeal of the Committee for Municipal Government against the ruling of the Third United States Circuit Court of Appeals of 19 December 1991, that the referendum for a municipal government had been defeated. Briefly, the referendum was held in conjunction with the general elections of 6 November 1990; out of a total of 38,668 registered voters, 13,676 participated in the referendum, with 8,419 voting in favour of the formation of separate municipal bodies, and 5,257 voting against (for details, see A/AC.109/1064, paras. 17-21).

13. On 25 January 1993, Governor Alexander Farrelly proclaimed 1993 "The Year of Status" in the Territory. The Governor pledged to provide full support for the public education programme of the Commission on Status and Federal Relations, which had been established in 1988, and would conduct a referendum on federal relations and future political status in September 1993. The Governor stated that he intended to propose legislation to create a mechanism to begin immediate consultations between the Territory and the Government of the United States to implement any changes in their relationship that would result from the referendum. 5/ During the first phase of the referendum which was scheduled to be held on 7 September 1993, voters would choose between three options: (a) continued or enhanced territorial status; (b) complete integration with the United States; and (c) removal of United States sovereignty. A further referendum would be held to decide on one of seven political options within the following categories: (a) statehood and incorporated status; (b) compact of federal relations or commonwealth and status quo; and (c) free association and independence (see also paras. 22-26).

D. Political parties and elections

14. There are three political parties in the Territory: the Democratic Party of the Virgin Islands, which is the largest; the Independent Citizens Movement (ICM); and the Progressive Republican Party of the Virgin Islands.

15. General elections are held in the Territory every two years for the 15 seats in the Senate of the Virgin Islands, for the Territory's delegate to the United States Congress and to the territorial Board of Education and Board of Elections. Elections for the office of Governor and Lieutenant-Governor are held every four years. The position of Governor is limited to two consecutive terms. Gubernatorial elections were last held in November 1990.

16. The elections for the 15 elected seats in the Virgin Islands Senate were held on 3 November 1992 and were contested by 41 candidates comprising 14 independents and 27 members of the three political parties (14 Democrats, 7 Republicans and 6 members of ICM). Out of a total of 40,887 registered voters, 26,770, or 65.5 per cent, voted in the above elections. The final results were as follows: the Democratic Party won 7 seats; the Republican Party, 4 seats; independents, 3 seats; and ICM, 1 seat. Nine incumbents were defeated in the elections. A Democratic Party-led coalition of 10 members, formed after the elections, would be the majority bloc in the Twentieth Legislature. 6/

17. Mr. Ron de Lugo, a Democrat, defeated his opponent by a 21 per cent lead to be re-elected as the Territory's delegate to the United States Congress for a tenth term (see also para. 28).

18. Following the elections, a number of unsuccessful candidates accused election officials of irregularities and fraud. In December 1992, the Territorial Court heard a case brought by Mr. Adelbert Bryan, an incumbent who had lost his seat. Mr. Bryan petitioned the Court for a temporary restraining order to prevent certification of the elections on several grounds, including fraud and violation of the Virgin Islands election laws and the United States Constitution. In an order issued by Territorial Court Judge Maria M. Cabret,

the Judge stated that Mr. Bryan had failed to prove that irregularities in the elections had affected its outcome. She noted that the irregularities and the violations, which the Board of Elections had admitted, had not been sufficiently substantial as to cast doubt on the integrity of the elections and constitute bad faith on the part of election officials. The Judge also noted that there was no evidence that any qualified voter had been denied the right to vote. The Judge further denied the request of Mr. Bryan to file new evidence that R. F. Shoup Corporation, the company that had sold the Territory 117 voting machines and tabulated the election results, was not licensed to do business in the Territory.

19. In the same Court order, the Territorial Court Judge cautioned the Legislature and the Board of Elections and its officials to take heed of the violations that had taken place in the 1992 elections, and to take the necessary actions to ensure that future elections were in compliance with the Virgin Islands election laws. She added that the people of the Territory deserved no less. 7/

20. In January 1993, the League of Women Voters appealed to the Twentieth Legislature for legislative and electoral reforms. The President of the League stated that serious consideration had to be given the adoption of legislation which would permit reapportionment, restructuring or redesignation of each constituency. The League also requested the Government to purchase additional voting machines and increase the number of polling places, in order to eliminate the closing of government schools and offices. In an address to the League on 14 March 1993, Mrs. Joan Farrelly, wife of the Governor, praised the League for its long history of promoting political responsibility through informed and active participation by which the people were encouraged to exercise fully their constitutional rights and privileges, as well as their obligations as citizens. 8/

E. Future status of the Territory

21. Information on developments concerning the future status of the Territory, including action taken by the General Assembly on 11 December 1991, is contained in the previous working paper (A/AC.109/1109, paras. 21-26). Recent developments are outlined below.

Position of the territorial Government

22. In his state of the Territory address on 14 January 1993, the Governor said that the political and constitutional advancement of the Territory was an important complement to that of economic development. While noting that the Territory had made significant political progress, he stressed that he would declare 1993 "The Year of Status" and would initiate a process to consult the people on their views regarding the direction towards which the Territory should proceed. He noted that Non-Self-Governing Territories in the Pacific and the Caribbean had undertaken similar initiatives and the United States Virgin Islands should do no less. In the same statement, he said that the Territory must advance itself politically, as others had done, if it was to prosper under changing global arrangements, while assuming further control over its own affairs. He could not overemphasize the critical nature of full participation

of the people of the Territory in the forthcoming political status referendum. In that connection, he urged everyone to participate fully in the various public education activities so that the people's political and constitutional aspirations could be made known.

23. On 11 February 1993, Governor Farrelly delivered the closing address to a conference on relations between the United States and American Samoa, Guam, the Northern Mariana Islands, Puerto Rico and the United States Virgin Islands, held at the George Washington University, Washington, D.C., from 8 to 11 February 1993. The conference, entitled "A Time for Change", was co-sponsored by academic institutions in the above Territories and by the consortium of universities in the Washington metropolitan area. In his address, the Governor stated that within the context of the so-called "more wide open international system", the remaining Non-Self-Governing Territories, mainly in the Caribbean and the Pacific, must proceed in charting a path and defining their place in the emerging new world order. He said that the Territories must respond to the challenges presented by those changes in world dynamics or risk political stagnation and fossilization.

24. According to the Governor, political status changes were being contemplated in many United States Territories, but the successful outcome of those initiatives would, in large measure, be determined by the degree of flexibility shown by both the United States Congress and the current administration in responding to the legitimate aspirations of the people of the Territories. The Governor expressed his support for legislation before Congress that would transfer the jurisdiction of the Territories from the Department of the Interior to a White House-led task force. He was of the view that the task force would upgrade federal-territorial relations.

25. In conclusion, the Governor stated that while the Territories had prospered substantially over the years from their individual association with the United States, there was nevertheless a need to focus on the future, taking into account the issue of self-determination of the remaining Territories during the current decade, a subject addressed by the international community. In the final analysis, it was the right of the people of each Territory or Commonwealth to decide their own political future and, as for the leaders, it was their continued responsibility to enthusiastically support the will of the people as they proceed in determining their future path. The conference was attended by about 35 persons from the Territory, including representatives of the Senate, the Status Commission, various departments of the Government, the University of the Virgin Islands and civic groups.

26. In March 1993, students at the St. Thomas and St. Croix campuses of the University of the Virgin Islands participated in a mock referendum on the three options for future political status. The results were as follows: (a) continued or enhanced territorial status, 108 votes; (b) removal of United States sovereignty (free association or independence), 60 votes; and (c) complete integration with the United States (incorporated Territory or statehood), 14 votes. 9/

Position of the administering Power

27. In her statement to the Fourth Committee of the General Assembly on 22 October 1992, the representative of the United States, inter alia, reiterated her Government's support for the goals of Chapter XI of the Charter of the United Nations. She stressed that it was precisely because of that support that her Government was forced to suspend cooperation with the Special Committee earlier in the year. 10/

28. It was reported in March 1993 that United States District Court Judge Harold Greene had ruled that Congressional delegates from United States Territories and the District of Colombia could vote on the floor of the United States House of Representatives. The District Court Judge had rejected the contention of House Republican leaders who had filed a suit that it was unconstitutional for the five delegates from "non-states" (all Democrats) to vote on the House floor. The controversy started in January 1993 with the convening of the new Congress. The Democratic caucus decided to let territorial delegates vote on the floor in the Committee of the Whole whereas previously, they had been able to vote only in committees. As a result of the new ruling, any roll call in which "non-state" delegates' votes would affect the outcome would automatically be followed by a second vote, in which those delegates would not participate. The second roll call would be decisive. In giving his ruling, Judge Greene stated that being able to vote on the floor gave the delegates "greater stature and prestige in Congress and in their home districts". 11/

Action by the General Assembly

29. On 25 November 1992, the General Assembly adopted resolution 47/27, a consolidated resolution on 10 Territories, including the United States Virgin Islands. In part A of that resolution, the Assembly, inter alia, reaffirmed that it was ultimately for the people of those Territories themselves to determine freely their future political status in accordance with the relevant provisions of the Charter of the United Nations, the Declaration on the Granting of Independence to Colonial Countries and Peoples and the relevant resolutions of the General Assembly and, in that connection, called upon the administering Powers, in cooperation with the territorial Governments, to facilitate programmes of political education in the Territories in order to foster an awareness among the people of the possibilities open to them in the exercise of their right to self-determination, in conformity with the legitimate political status options clearly defined in General Assembly resolution 1541 (XV) of 15 December 1960. The Assembly reiterated that it was the responsibility of the administering Powers to create such conditions in the Territories as would enable their people to exercise freely and without interference their inalienable right to self-determination and independence.

30. In part B, section X of the same resolution, which pertains to the Territory, the General Assembly also reiterated its request to the administering Power to facilitate as appropriate the participation of the Territory in the Organization of Eastern Caribbean States and the Caribbean Community (CARICOM), as well as in various international and regional organizations, including the Caribbean Group for Cooperation in Economic Development of the World Bank, in accordance with the policy of the administering Power and the terms of reference of such organizations. The Assembly called upon the administering Power to

respond favourably to the request of the territorial Government for the dispatch of a United Nations visiting and observer mission to the Territory.

F. Public service

31. The public service continued to be the largest single employer in the Territory. In December 1992, out of a total of 44,490 employed persons, government employees numbered 13,800 (770 federal and 13,030 territorial). Compared with the previous year, the number of federal employees remained the same, while territorial employees increased by 170.

32. In his state of the Territory address in January 1993, the Governor reviewed the Government's relations with the labour unions representing public employees. He pointed out that in 1992, the growing size of the budget deficit, as well as other fiscal uncertainties, prevented the Government from implementing previous negotiated salary increases. He noted that 15 agreements had been concluded for fiscal year 1992, 6 were currently being negotiated and a further 5 were pending. With regard to the situation of teachers, the Governor disclosed that the Government's inability to honour the tentative contract with of their union, the American Federation of Teachers (AFT), had resulted in a 10-day teachers' strike. He had decided not to appeal the ruling of the Public Employees Relations Board that the terms of the contract were binding and must be submitted to the Legislature for funding. He informed the Senate that the estimated cost of funding the AFT agreement for 1992 and 1993 would add approximately $29 million to a possible $57 million deficit. As part of a comprehensive fiscal plan, the Governor recommended that consideration should be given to restricting the growth of salary increases to a certain percentage of the average growth in government revenues during the past three to four years.

33. In related developments, it was reported in February 1993, that the Senate was considering the possibility of salary cuts of between 7 and 10 per cent for public employees in the higher salary range, including senators and the Governor. 12/ The following month, the Office of the Governor announced that in the light of the fiscal crises and the uncertainty of the level of appropriations for 1993, there would be an immediate discontinuance of all hiring of public employees, which measure would remain in effect until the level of available funding for public employees could be determined. 13/

G. External relations

34. The United States Virgin Islands is an associate member of the Economic Commission for Latin America and the Caribbean (ECLAC) and its subsidiary bodies, including the Caribbean Development and Cooperation Committee (CDCC). In December 1992, at its fourteenth ministerial session, CDCC adopted the report of its Working Group on Non-Independent Caribbean Countries which was presented by the representative of the United States Virgin Islands who was Chairman of the Working Group. 14/ At the session, CDCC adopted resolution 37 (XIV) entitled "Support for Non-Independent Caribbean Countries' Access to the United Nations system", by which CDCC called on the Chairman of CDCC in consultation with the Chairman of the Working Group to initiate contacts with the Chairman of the Special Committee of 24 with the aim of seeking formal collaboration between

the two bodies in furtherance of the ongoing study by the Working Group on the access of non-independent Caribbean countries to the United Nations system. The Chairman of the Special Committee attended the ministerial session of CDCC and made a statement. He was accompanied by the representative of the Congo.

35. The Territory continued to cooperate with other Caribbean and Pacific countries and to participate in conferences and programmes organized by Governments, international organizations and multilateral agencies.

36. In February 1993, in his address to the conference on federal-territorial relations (see para. 23 above) the Governor drew attention to the peculiar problems of small island territories and outlined the measures taken by territorial Governments to overcome them. These include the creation of mechanisms such as the Offshore Governors' Forum and the Alliance of Dependent Territories. The first was established for the purpose of holding formal consultations on issues of mutual concern and for developing joint positions, where appropriate. The latter was created to increase collective awareness at the international level and to show the Territories how to benefit from participation in international programmes and activities, consistent with their current political status.

37. The Territory continued its special relationship with its neighbours, the British Virgin Islands and Puerto Rico. The twentieth annual United States Virgin Islands/British Virgin Islands Friendship Day was celebrated on 3 October 1992, in the Territory's capital (see also A/AC.109/1142, para. 41). It was reported in a joint release issued in March 1993 that delegations from both Territories met on 3 March for the fifth Meeting of the Inter-Virgin Islands Conference. 15/

38. The Governor announced a proposal to upgrade the above Conference, taking into account its importance and the level of activity envisaged for 1993. The Conference adopted the recommendations of working groups on the following areas: (a) pleasure-boating and commercial and recreational fishing; (b) emergency management training in disaster preparedness; (c) and inter-island transport. The Conference agreed to establish a working group on political development. This working group would look at constitutional reform in the British Virgin Islands and at the holding of a referendum on the political status of the United States Virgin Islands. On the recommendation of the Chief Minister of the British Virgin Islands, Carlyle Corbin, representative of the Governor of the United States Virgin Islands, was appointed Secretary of the Conference. He was responsible for coordinating the meetings of the Working Groups and preparing the reports of the Conference.

H. Other developments

39. During the period under review, discussions continued between the territorial Government and the Government of the United States over the transfer of Water Island (the fourth largest island) to the territorial Government upon expiration of the lease to private developers in December 1992 (see also A/AC.109/1109, paras. 39-41).

40. In March 1993, the United States Department of the Interior stated that, it would suspend all arrangements for the transfer of Water Island until a further review was completed. Environmental studies on the island would continue, however. The action was taken in response to complaints by officials of the territorial Government that the plan to sell Water Island to holders of the master lease and subleases, which had been initiated by the previous United States Administration, did not take territorial interests into account. Complaints were also raised by the Territory's delegate to Congress, Mr. Ron de Lugo, as well as United States Senator Bennett Johnston, chairmen of the House and Senate Subcommittees that oversee territorial matters. 16/

III. MILITARY INSTALLATIONS

41. The United States Navy currently maintains a radar and sonar calibration station and a headquarters building for its underwater tracking facility. There are permanent recruitment centres for the armed forces and a detachment of the United States Coast Guard on St. Thomas. The Virgin Islands National Guard is affiliated with the United States Army. The Territory remained a port of call for United States naval vessels and those of its allies. (For recent developments, see the working paper on military activities and arrangements in the United States Virgin Islands (A/AC.109/1151).)

IV. ECONOMIC CONDITIONS

A. General

42. The economy of the Territory is based on tourism and related services, construction and industrial development. The largest oil refinery in the western hemisphere with a capacity of 700,000 barrels a day is located in the Territory. The Territory is also a centre for international business and, since 1985, has been the location of over 80 per cent of the United States foreign sales corporations. The development of agriculture continued to be a priority of the Government's overall policy of diversification. In 1989, the latest year for which data is available, the gross territorial product was estimated at $1.3 billion and the per capita personal income was $11,052.

43. In his state of the Territory address in January 1993, the Governor informed the Legislature that the lingering effects of the United States and the world economies continue to have a negative impact on the Territory's economy, which he described as sluggish. The Governor outlined several policy objectives which he expected would revitalize the economy. He drew attention to the fiscal crisis which the Territory continued to face and estimated that the deficit would increase to approximately $57 million. He stressed that all efforts must be directed at further diversification of the Territory's economy and noted that, while recent studies have reconfirmed the dominance of the tourism sector in the economy, it had been proven that the manufacturing sector produced the greater multiplier within the economy. In that connection, the Government would not only promote tourism, but would also offer tax and other incentives to attract non-polluting, assembly, and light manufacturing enterprises to the Territory.

B. Public finance

44. According to press reports, in March 1993, the territorial Government estimated that revenues for fiscal year 1993 would be approximately $380 million against proposed expenditures of $426 million. The estimated cumulative budgetary deficit of $86 million included $13.4 million carried over from fiscal year 1992, in addition to $34 million which the territorial Government owed to the teachers and other government employees from negotiated but delayed salary increases. The reports indicated that the Governor had submitted the budget estimates too late for consideration by the nineteenth Legislature, and were being considered instead by the twentieth Legislature.

45. In addressing the rising budget deficit, representatives of the territorial Government noted that while major tax categories continued to reflect modest growth each year, there was need to devise corrective long-term measures to control government spending and to revise the Territory's tax structure. 17/

C. Agriculture, livestock and fisheries

46. The policy of the territorial Government continued to be the rebuilding of the agricultural infrastructure by providing suitable land for the production of food and cattle and by offering suitable incentives to farmers and fishermen (see A/AC.109/1109, paras. 54-58).

47. On 12 March 1993, the Governor declared 14 to 20 March 1993 as "Agriculture Week", stating that the industry provided over $1 million in personal income each year. He noted that in recent years, farmers in the Territory had endured hardships such as natural disasters, low export volumes, unfair trade practices and high production costs. It was important, however, for the people of the Territory to recognize the economic impact of their agricultural industry. 18/ Major developments concerning the industry are enumerated below.

(a) Heavy rains fell in the Territory in May and again in December 1992, ending several years of drought, particularly on St. Croix, the main farming area;

(b) A 10-member fisheries advisory group to review measures for the Territory's fisheries and to make recommendations to the Governor was established in December 1992;

(c) In January 1993, St. Croix fishermen protested over the planned closure of the Long Bank fishing grounds. In a letter to the Caribbean Fisheries Management Council, on behalf of the fishermen, Senator Mary Ann Pickard pointed out that the fishermen depended on fishing in that area because the fishing grounds in the south of the island had been closed by the Hess Oil Virgin Islands Corporation (HOVIC) and the Virgin Islands Alumina Company (VIALCO). She stated that the economy could not provide alternate employment for the fishermen;

(d) A survey was conducted on the status of the region's parrot-fish to determine whether protective action was necessary. Two other species, the

snapper and the grouper, had declined significantly and it was feared that the parrot-fish would be next. 19/

D. Industrial development

48. The industrial sector, which is based primarily on St. Croix, consists of heavy manufacturing industries such as oil refinery and aluminium production, as well as light industrial enterprises, which include watch-assembly companies, pharmaceutical, garment and electronic industries, all of which benefit from duty-free entry into the United States. The Territory also exports a significant quantity of rum to the United States. The territorial Government provides several tax and other incentives in order to encourage new industries to locate there (see also A/AC.109/1109, paras. 59-63).

49. According to the territorial Government, the value of exports of refined petroleum to the United States declined by 16.4 per cent from $2.3 billion in 1990 to $1.96 billion in 1991. The value of exports of aluminium declined by approximately 50 per cent from $30.6 million in 1990 to $15.3 million in 1991. During the same period, the quantity of rum exports to the United States declined by 8.5 per cent from 9.8 million litres to 9 million litres. The amount of rum excise taxes returned to the Territory, however, increased from $29.2 million in 1990 to $31.5 million in 1991. The latest figure on the volume of watches exported from the Territory was 3.18 million pieces in 1988. 20/

50. During the period under review, the following developments were reported. In August 1992, approximately 3,000 employees at the Hess Oil Virgin Islands Corporation were locked out of their jobs for two weeks following a labour dispute which turned violent. In addition to pay raises, part of an agreement reached between the United Steel Workers Union, HOVIC and its sub-contractors, was the holding of weekly meetings to discuss labour relations problems. It was also reported in August that the Virgin Islands Senate had adopted legislation establishing a quota for firms receiving industrial development incentives. Under previous legislation, such firms were required to hire 80 per cent of their labour force locally. Following criticism that the nationals hired were not placed in managerial positions, new legislation was adopted, by a vote of 10 to 1, which further required that 20 per cent of Virgin Islanders employed by such firms be placed in managerial positions. 21/

51. In his state of the Territory address, the Governor reconfirmed that, in offering fair and competitive tax exemption packages to businesses willing to locate in the Territory, public policies should facilitate and encourage long-term residents to hold managerial positions in those firms. He expressed the view that the Territory must create a friendly atmosphere for business, because business remains the engine that must pull the train of progress into the next century. In that connection, the Governor pointed out that the goal of his administration was to generate 800 new jobs; complete the mini-industrial park on St. Thomas; and secure funding for a fifth building in the industrial park complex on St. Croix.

E. International business

52. The Lieutenant-Governor continued to be responsible for the regulation and supervision of domestic and international banks, insurance and other companies. United States federal authorities also supervise United States banks and companies operating in the Territory.

53. In 1991, the latest year for which data is available, there were 25,145 licensed businesses in the Territory, an increase of 70 per cent over 1990. Gross business receipts fell by 25 per cent, however, from approximately $1.8 billion in 1990 to $1.3 billion in 1991. 20/

54. According to press and other reports, the shortage of insurance continues to be a crisis in the Territory. Property premiums have increased by about four times the rates before the onslaught of hurricane Hugo in September 1989. Following the subsequent departure from the Territory of several insurance companies, Lloyd's of London became virtually the Territory's major property writer and responded to the situation by raising its rates. The crisis has also had a negative impact on the Territory's real estate market because commercial banks and lending institutions would not provide mortgages on uninsured homes, and many potential buyers could not afford the increased insurance premiums. Auto insurance also continues to be expensive; an estimated 50 per cent of drivers on the Territory's roads are reported to be uninsured. 21/

55. In January 1993, the Governor signed into law a bill approving a health insurance plan for government employees. In a letter to the President of the Senate, the Governor commended the prompt action taken by the Legislature which would assure coverage of those employees through June 1993. The Governor noted that the Government Health Insurance Board was working on a health plan for the remainder of 1993 and for calendar year 1994. 22/

56. In February 1993, the Lieutenant-Governor held consultations with major insurance companies while attending a meeting in New York on the subject of insurance bond refinancing. He had previously met with representatives of the Insurance Association of the Caribbean in Barbados. It was reported subsequently that the Territory would host the thirteenth Annual Caribbean Insurance Conference from 30 May to 2 June 1993. In another development, the Lieutenant-Governor wrote to the Lieutenant-Governors throughout the United States and its dependencies, urging them to support a proposed legislation which would provide victims of natural disasters with an insurance programme. He noted that in the past three years, the United States and its Territories had experienced several natural disasters which had caused enormous human suffering and billions of dollars in losses, not all of which had been covered by insurance. He stressed that the insurance crisis had the potential to severely harm the economic well-being of several States. 23/

F. Tourism and related services

57. The territorial Government reported that visitor arrivals for 1992 totalled 1.96 million, an increase of 0.7 per cent over the previous year. Of these, approximately 1.47 million were excursionists, a decline of 0.2 per cent from 1990, and tourists were 487,000, an increase of 3.6 per cent. The number of air

excursionists declined by 19.5 per cent from 212,000 in 1991 to 171,000 in 1992. Cruise ship passengers increased by 4.6 per cent from 1.22 million in 1991 to nearly 1.28 million in 1992. The category of "other" excursionists declined by 38.7 per cent from 45,800 in 1991 to 28,000 in 1992. Over the same period, total tourist expenditure rose by 5.5 per cent to $791 million ($750.3 million in 1991, for which overnight tourists accounted for approximately $556 million, an increase of 6.4 per cent, and excursionists for about $235.4 million, an increase of 3.4 per cent. Tourism-related employment continued to decline. There was a drop of 3.6 per cent from 8,830 in 1991 to 8,510 in 1992. Employment in hotels and lodgings which totalled 3,460 in 1990 and 1991, declined by 4.3 per cent in 1992 to 3,310. While the number of hotels remained at 49 for the third consecutive year, the number of hotel rooms increased by 2.3 per cent to 3,705. The rate of occupancy declined from 58.4 per cent in 1991 to 54.7 in 1992. 20/

G. Communications and basic facilities

58. In his 1993 state of the Territory address, the Governor reiterated the importance of the implementation of the Territory's capital improvement programme to offset the impact of the sluggish economy. He noted that the programme was proceeding despite audit findings which had resulted in the termination of the Programme Management Consultants; that issue was before the Court. The Governor said that the programme included the following projects:

(a) Road construction and transportation-related projects ($25 million);

(b) Natural disaster mitigation ($17 million);

(c) The senior high school and the vocational school on St. Croix ($37 million);

(d) The construction of the new Frederiksted Pier, Cruz Bay Dock, water distribution and housing projects (over $70 million in total cost).

59. According to the Governor, funding for capital development projects has been approved as follows: $106 million for St. Croix; $8.5 million for St. John; $22.5 million for St. Thomas. Many of the projects would be completed during 1993.

H. Trade

60. The Territory's trade industry continued to be dominated by petroleum products and, since 1990, by the resumption of the production of alumina. The United States continued to be the Territory's main trading partner. Venezuela is the source of bauxite ore which is used in the production of alumina.

V. SOCIAL CONDITIONS

A. Public safety and crime prevention

61. Information provided by the administering Power indicated that public safety and law enforcement in the Territory were extremely limited. The report noted that the territorial Government did not have adequate resources; criminal elements, on the other hand, were engaged in high revenue-producing activities and could afford manpower, high-technological equipment and weapons. It was also noted that crime statistics revealed an increasing number of illegal aliens as both principals and participants in some of the most serious categories of crime. Emphasis was placed on the need for United States federal agencies to increase their assistance to the local authorities in combating drugs and weapons trafficking, prostitution and illegal immigration. Given the required resources - manpower, equipment and funds to cover operating expenses; full cooperation by existing federal agencies; establishment of other agencies - the local public safety and law enforcement agencies would be able to implement their mandates and contribute significantly to the safety of the people of the Territory as well as those of the United States. On a per capita basis, the crime rate in the Territory was much higher than that of the United States (for details, see A/AC.109/1109, paras. 78-80).

62. In January 1993, the Governor informed the Legislature that the war against crime must be relentless. On a positive note, he said that there had been a 14 per cent decrease in violent crime during 1992. He noted, however, that it was necessary to build a first rate police force which was properly equipped and trained. The Government was determined to rebuild and reopen those police complexes that had been closed. He emphasized that the territorial Government would continue to utilize the assistance of the National Guard and other federal authorities to better patrol the Territory's borders and prevent the drug cartels from using the Territory as a launching pad for drug shipments to mainland United States.

B. Labour

63. In January 1993, the labour force was 48,740 (48,190 in January 1992), of which 47,220 were employed. The rate of unemployment decreased from 3.6 per cent during the previous year to 3.1 per cent. The unemployment rate on St. Croix was 4.5 per cent, while that of the St. Thomas-St. John's district was 2 per cent. 24/

C. Public health

64. The Virgin Islands Department of Health continued to be responsible for the provision and management of health-care services for the Territory's residents and visitors. Although some services are provided by the private sector, the majority of services are provided by, through, or under the direction of, the Department. The relatively high poverty level contributes to a lower health status of the population.

65. The geography of the Territory requires that each island have a self-contained health system. Similarly, the geography of each island requires that primary care services be decentralized in order to get the services to residents within a reasonable time. The demography of the Territory represents a wide diversity. The immigration of families and individuals has resulted in an influx of illnesses not found in the United States. The emigration of young adults has resulted in the Territory's high proportion of children and older adults, two groups which are the greatest users of health care. Hurricane Hugo destroyed much of the new facilities and totally demolished many other health-care facilities. The revised comprehensive territorial health plan is aimed at promoting health status, assuring a healthful environment, and providing for the accessibility of high quality care at a reasonable cost.

66. In January 1993, in pursuance of the above policy, the Governor announced that offices had been established to provide services to nearly 8,000 Medicare patients; this had resulted in reducing the processing period and increasing the number of claims filed. He emphasized the importance of the education process in the prevention of acquired immune deficiency syndrome (AIDS) and other diseases. He pointed out that the Territory's hospitals and clinics, including the St. Croix Hospital, were undergoing significant repairs.

VI. EDUCATIONAL CONDITIONS

67. Education in the Territory is free and compulsory for children up to the age of 16 years. The United States Government provides subsidies to the public education system. There are 24 public, parochial and private elementary and secondary schools in the Territory. Post-secondary education is provided by the University of the Virgin Islands. Data on enrolment and graduation for the 1992/1993 academic year is not available.

68. In January 1993, the Governor stated that, as part of its comprehensive plan on education, the territorial Government, had incorporated the six national goals adopted by then President-elect Clinton of the United States. The goals were: (a) to continue to focus on providing well-rounded individuals capable of mastering the challenges and uncertainties of the next century; (b) to renew the commitment of making the parents an essential feature in the learning process; (c) to expand the scope of learning from the classroom to technologies and initiatives, such as tele-conferencing and education television channels; (d) to upgrade the curricula with languages necessary for commercial trading, science and technological initiatives and vocational training to continually upgrade the Territory's infrastructure.

69. With regard to the University of the Virgin Islands, the Governor pointed out that the Government's efforts to obtain capital improvement funds from the United States Congress proved successful during the last fiscal year. The Territory's goal remained the same, to continue to assist the Caribbean region in the areas of new technologies and educational advancement.

Notes

1/ The information contained in the present paper has been derived from published reports and from information transmitted to the Secretary-General by the Government of the United States of America under Article 73 e of the Charter of the United Nations for the period 1992-1993.

2/ The local currency is the United States dollar (US$).

3/ The Daily News (United States Virgin Islands), 9 September 1992.

4/ Ibid., 26 September 1992.

5/ Ibid., 26 January 1993.

6/ Ibid., 3, 4, 17 and 26 November 1992.

7/ Ibid. 19 December 1992.

8/ Ibid., 28 January 1993; and United States Virgin Islands, Office of Public Relations, Official News Release No. 213, 14 March 1993.

9/ The Daily News (United States Virgin Islands), 18 March 1993.

10/ A/C.4/47/SR.7, paras. 31 and 32.

11/ The Daily News (United States Virgin Islands), 9 March 1993.

12/ The Daily News (United States Virgin Islands), 12 February 1993.

13/ United States Virgin Islands, Office of Public Relations, Official News Release No. 195, 5 March 1993.

14/ United Nations Economic Commission for Latin America and the Caribbean, report of the meeting of the Working Group on Non-Independent Caribbean Countries, document LC/CAR/G.386.

15/ United States Virgin Islands, Office of Public Relations, Official News Release No. 194, 2 March 1993.

16/ The Daily News (United States Virgin Islands), 25 March 1993.

17/ Ibid., 16 February and 16 March 1993.

18/ United States Virgin Islands, Office of Public Relations, Official News Release No. 202, 12 March 1993.

19/ The Daily News (United States Virgin Islands), 20 and 25 May 1992; 21 and 30 December 1992; and 30 January 1993.

20/ United States Virgin Islands, Bureau of Economic Research, Department of Economic Development and Agriculture.

Notes (continued)

21/ The Daily News (United States Virgin Islands), 27 August 1992 and 5 January 1993.

22/ United States Virgin Islands, Office of Public Relations, Official News Release No. 079, 28 January 1993.

23/ Ibid., No. 092, 1 February 1993; and ibid., No. 102, 5 February 1993.

24/ United States Virgin Islands, Labour Market Review, vol. 16, No. 1, January 1993.